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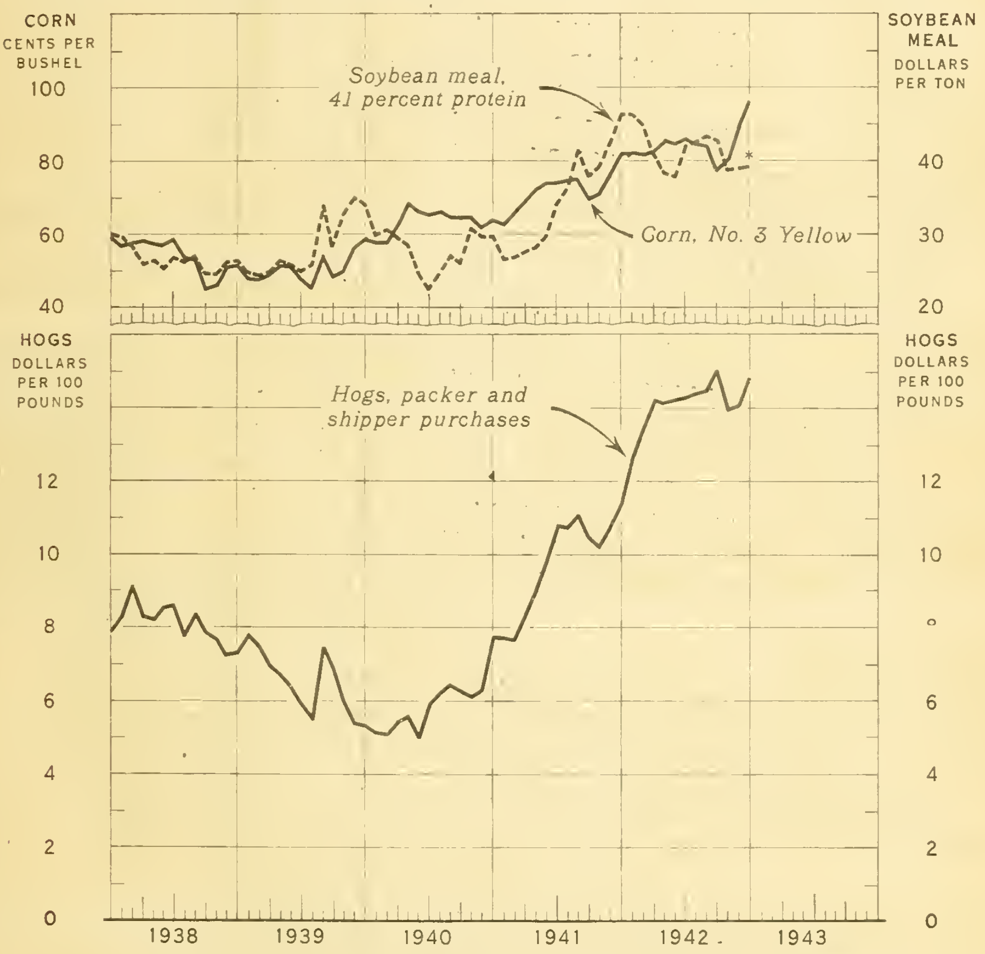
THE *Feed* SITUATION

BUREAU OF AGRICULTURAL ECONOMICS
UNITED STATES DEPARTMENT OF AGRICULTURE

FdS-43 BAE FEBRUARY 1943

In this issue:
A COMPARISON OF SOYBEAN MEAL PRICES WITH PRICES OF OTHER FEEDS AND LIVESTOCK PRODUCTS, 1938-43

PRICES OF CORN, SOYBEAN MEAL, AND HOGS, CHICAGO, 1938-43



*PROCESSORS PRICE, CONVERTED TO CHICAGO BASIS, NOVEMBER 1942 TO JANUARY 1943

U. S. DEPARTMENT OF AGRICULTURE NEG. 42895 BUREAU OF AGRICULTURAL ECONOMICS

The marked increase in the price of hogs and other livestock, since the beginning of the war, together with the expansion in production, has greatly increased the demand for corn and soybean meal. Prices of both soybean meal and corn have been low in relation to hog prices during the past few months - disappearance of these feeds has been unusually large. The price of soybean meal also is low in relation to corn and farmers would buy, at ceiling prices, considerably more soybean meal than has been produced so far this season, although production has been the largest on record. (For data see table 7).

Table 1.- Market prices of feeds and livestock-feed price ratios, February 1941, 1942, and December 1942-February 1943

Item	Unit	Feb.		1942-43		
		1941	1942	Dec.	Jan.	Feb. 1/
		Cents	Cents	Cents	Cents	Cents
Grains						
Corn No. 3 Yellow, Chicago	Bu.	62.3	81.9	89.4	96.5	95.9
No. 3 Yellow, Kansas City	"	58.2	77.4	85.6	92.7	91.8
Oats No. 3 White, Chicago	"	37.1	55.9	53.6	58.7	59.0
No. 3 White, Minneapolis	"	33.5	53.4	50.0	56.5	56.4
Barley No. 3, Minneapolis	"	51.5	73.1	73.8	79.8	81.6
Wheat No. 2 Hard Winter, Kansas City	"	77.8	123.1	130.5	136.8	136.2
Rye No. 2, Minneapolis	"	50.2	78.1	70.3	74.7	76.3
Byproduct Feeds						
Standard bran, Minneapolis	Ton	19.95	32.55	35.80	36.10	36.00
Chicago	"	21.55	34.15	37.45	38.10	37.75
Buffalo	"	23.40	35.75	40.40	40.90	39.00
Standard middlings, Minneapolis	"	19.95	33.00	35.95	35.90	36.75
Chicago	"	21.60	34.65	37.75	37.95	39.50
Buffalo	"	22.95	35.40	40.05	40.25	39.50
Cottonseed meal, 41 pct. protein, Chicago	"	31.25	43.60	46.90	46.75	---
41 pct. protein, Memphis	"	24.45	37.90	38.65	38.60	---
Linseed meal, 34 pct. protein, Minneapolis	"	2/28.40	42.50	42.80	43.00	47.50
30-32 pct. protein, San Francisco	"	28.00	41.00	45.00	49.00	50.00
Peanut meal, 45 pct. protein, S. E. milling points	"	20.70	45.70	38.00	38.00	38.00
White hominy feed, Chicago	"	24.40	33.20	35.70	40.50	38.00
Gluten feed, 23 pct. protein, Chicago	"	21.10	31.00	32.50	32.50	32.50
Tankage, digester, 60 pct., Chicago	"	48.75	80.00	3/71.05	3/71.05	3/71.05
Meat scraps, Chicago	"	43.75	75.00	3/68.00	3/68.00	3/68.00
Fish meal, San Francisco	"	56.95	77.40	79.50	79.50	79.50
Brewers' dried grains, Milwaukee	"	22.60	35.60	36.00	37.00	---
Alfalfa meal, No. 1 fine, Kansas City	"	21.60	32.20	32.90	32.90	32.90
		Pct.	Pct.	Pct.	Pct.	Pct.
Indexes of Feed Prices 4/						
Feed grains, United States, 1910-14 = 100		85	121	122	134	5/137
Oilseed meal, terminal markets, 1935-39 = 100		91	142	6/131	6/131	6/7/134
Livestock byproduct feeds and fish meal, terminal markets, 1935-39 = 100		110	170	8/160	8/160	7/8/160
Ten principal high-protein feeds, terminal markets, 1935-39 = 100 9/		95	146	8/138	8/138	7/8/140
Indexes of Livestock-Feed Price Ratios 10/						
Hog-corn ratio, Chicago, 1920-39 = 100		99	123	137	130	11/128
Beef-corn ratio, Chicago, 1920-39 = 100		135	125	116	113	11/118
Butterfat-feed ratio, United States, 1920-39 = 100		101	87	105	106	5/106
Egg-feed ratio, United States, 1931-40 = 100		90	102	86	104	5/123

1/ Grain prices, average for week ended February 13, byproduct feed prices as of February 16. 2/ 37-percent protein. 3/ Bulk. 4/ For method and data for earlier months and years see issues of "The Feed Situation" for December 1941 and April 1942. 5/ Preliminary. 6/ Partly estimated. 7/ February 16. 8/ Includes some prices for bulk sales. 9/ Revised to exclude copra meal. 10/ Average for corresponding month in base period = 100. Index numbers above 100 indicate that ratios are favorable to livestock producers. See table 1, "The Feed Situation," February 1942. 11/ Week ended February 13.

THE FEED SITUATION

Summary

The demand for feed will be stronger in 1943 than in 1942. Livestock prices are about 25 percent higher than a year ago and livestock numbers, in terms of grain-consuming animal units, were 11 percent greater on January 1 than a year earlier. Numbers of hogs and poultry will continue to increase in 1943. Supplies of feed grain for the country as a whole, however, will be sufficient during at least the greater part of 1943. In the latter part of 1943 and in 1944 the adequacy of feed supplies will depend largely upon the 1943 growing season and the extent to which our abundant wheat supplies are made available for feeding purposes.

With feed prices favorable for livestock production in the Corn Belt, and with livestock numbers increasing in this area, present indications are that less grain will be available for shipping to other areas in 1943-44. It is, therefore, desirable for farmers in other sections, especially in the Northeast and in the South, to grow as much of their feed required for the 1943-44 feeding season as possible.

Sales of Government feed wheat have been heavy in recent weeks, as feed wheat has been cheaper than corn in most areas. Total sales for the current season reached about 125 million bushels by the middle of February, making it necessary for the Commodity Credit Corporation to discontinue sales of wheat for feeding.

A strong demand continues for protein feeds, with buyers taking all supplies as soon as they become available. The Department of Agriculture and representatives of the feed industry have adopted a voluntary program to conserve protein, especially animal and marine proteins, by limiting the percentage contained in specified livestock rations. This will make possible a more equitable distribution and a more efficient utilization of available supplies.

The Office of Price Administration announced a ceiling of $20 per ton at the farm level for ungraded alfalfa hay, effective February 18, in the three Pacific Coast States of California, Oregon, and Washington.

-- February 25, 1943

REVIEW OF RECENT DEVELOPMENTS

BACKGROUND.- There has been a marked increase in the demand for feed during the past 2 years as livestock production has expanded to meet increasing requirements. Because of the very favorable 1942 growing season, the increase in feed supplies from 1941-42 to 1942-43 about kept pace with the increase in livestock production. Prices of all kinds of feed have increased considerably since the beginning of the war, but during most of 1942 feed prices were low in relation to prices of livestock products. Price ceilings have been established for corn and most of the byproduct feeds, and prices of these feeds are now at or close to ceiling levels.

Grain-Consuming Livestock Increased 11 Percent During 1942

The number of grain-consuming animal units on farms January 1, 1943 totaled 158.9 million, which was 11 percent greater than on January 1, 1942. This increase was principally the result of an increase of 22 percent in the number of hogs on farms and an increase of 14 percent in the number of chickens. The number of milk cows on farms increased 2 percent and other cattle 5 percent, while the number of horses and mules and sheep and lambs decreased 3 percent. Increases in grain-consuming livestock were general throughout the country, but were greatest in the western part of the Corn Belt, and in the South Central States.

Table 2.- Number of hogs, milk cows, and chickens on farms, January 1, 1942-43

Section	Hogs			Milk cows			Chickens		
	1942	1943	1943 as a percentage of 1942	1942	1943	1943 as a percentage of 1942	1942	1943	1943 as a percentage of 1942
	1,000 head	1,000 head	Percent	1,000 head	1,000 head	Percent	1,000 head	1,000 head	Percent
North Atlantic	1,275	1,457	114	3,271	3,258	100	55,619	63,446	114
E. N. Central	16,130	18,476	115	6,390	6,522	102	93,007	102,614	110
W. N. Central	25,007	31,927	128	6,952	7,113	102	134,077	156,564	117
South Atlantic	5,118	5,688	111	1,972	2,013	102	48,389	53,732	111
South Central	9,908	12,333	124	5,384	5,560	103	102,331	118,609	116
Western	2,939	3,779	129	2,429	2,480	102	41,487	45,142	109
United States	60,377	73,660	122	26,398	26,946	102	474,910	540,107	114

Government Feed Wheat Withdrawn From Market as 1942-43 Sales Near 125 Million Bushels

By the middle of February the quantity of Government wheat sold for livestock feed since July 1, 1942 totaled close to 125 million bushels, the quantity designated by Congress for sale as feed at reduced prices during the 1942-43 marketing year. Hence, the sale of Government-owned wheat for feed was discontinued, although the Secretary of Agriculture immediately requested Congressional authorization to sell another 100 million bushels of feed wheat before July 1, 1943.

During the second half of 1942 about 80 million bushels of Government wheat were sold for feeding, leaving about 45 million bushels still available for sale on January 1. During January over 25 million bushels were sold. The heavy sales of feed wheat during the first half of February are estimated to have taken practically all of the remaining quantity. Since July 1, 1942 about 41 million bushels have been disposed of through the Chicago office of Commodity Credit Corporation, 36 million through Kansas City, 25 million through Minneapolis, and 23 million through Portland, Oregon.

Corn Prices Advance Above the Loan Rate in the Corn Belt

The advance in corn prices since late October brought the mid-January farm price of corn above the 1942 loan rate in all Corn Belt States except South Dakota, where the farm price averaged about 2 cents below the loan. In Iowa the farm price of corn averaged about 5 cents above the loan, and in Illinois about 8 cents above the loan. On February 20, 48 million bushels of corn had been sealed, 37 million bushels less than a year earlier. With farm prices in most States above loan values, the quantity of corn to be sealed during the remainder of the season probably will be small.

Table 3.- Corn: Loan rate, average price received by farmers January 15, and quantity of corn sealed through February 20, in specified Corn Belt States, 1942 and 1943

State	1942				1943			
	Average loan rate in commercial counties	Farm price Jan. 15	Difference	Quantity of new corn under seal Feb. 20	Average loan rate in commercial counties	Farm price Jan. 15	Difference	Quantity of new corn under seal Feb. 20
	Ct.	Ct.	Ct.	1,000 bu.	Ct.	Ct.	Ct.	1,000 bu.
Iowa	73	70	-3	26,650	77	82	+ 5	26,038
Illinois	76	73	-3	14,870	80	88	+ 8	7,933
Nebraska	72	64	-8	14,236	78	79	+ 1	8,686
Minnesota	70	63	-7	6,805	74	76	+ 2	972
South Dakota	71	64	-7	3,040	75	73	- 2	1,533
Missouri	78	75	-3	1,657	84	91	+ 7	1,109
Kansas ..	75	70	-5	858	81	85	+ 4	630
Indiana .	75	75	---	1,430	81	87	+ 6	526

Little Change in Feed Prices During Past Month

Changes in market prices of most feeds were small during the past month. Cash prices of corn at Chicago has fluctuated a little below the ceiling level since ceilings became effective January 13. Ceiling prices for yellow corn at Chicago have been revised by grades to read as follows: No. 1 and No. 2 Yellow, $1.02 per bushel; No. 3, $1.01-1/2 per bushel; No. 4, $1.01; No. 5, $1.00-1/2; and Sample, $1.00. Price ceilings for white corn are 15 cents above the ceilings for yellow corn. Prices of oats and barley have increased about 2 cents per bushel since the middle of January.

Prices of high-protein feeds except linseed meal continued generally nominal at ceiling levels during the past month, with very little of these feeds available at wholesale markets. The price of linseed meal, which is not covered by ceilings, increased $4.50 per ton at Minneapolis. With large sales of feed wheat, prices of bran at Minneapolis and Kansas City declined $1.25 to $2.25 per ton from the middle of January to the early part of February. Since early in February the price of bran has advanced considerably at these markets. The price of wheat middlings also has increased since the first of February and on February 23 the price of middlings was at the ceiling level at Minneapolis and Kansas City.

Production of Oilseed Cake and Meal 20 Percent Greater During October-December Than a Year Earlier

The production of four oilseed cakes and meals -- cottonseed, soybean, linseed, and peanut -- totaled 1,783,000 tons during October-December, or 20 percent greater than in this period of 1941. Because of the much stronger demand from livestock feeders, the apparent disappearance of these four oilcakes and meals for livestock feeding was 40 percent greater than in this quarter of 1941. Stocks of cottonseed cake and meal were reduced 54,000 tons from October 1, 1942 to January 1, 1943. In this same period of 1941-42 stocks were increased 207,000 tons. This accounts for about one-half of the increase in disappearance of these feeds. There may also have been some reduction in stocks of soybean and linseed meal during the last quarter of 1942, but the amount is not known, since data on stocks of these feeds are not compiled. Stocks of cottonseed cake and meal on January 1 totaled 93,000 tons compared with 381,000 tons on January 1, 1942.

Table 4.- Oilseed cake and meal: Production and disappearance for livestock feeding, United States, October-December, 1941-42

Oilcake and meal	Production Oct.-Dec.			Disappearance Oct.-Dec.		
	1941	1942	1942 as a percentage of 1941	1941	1942	1942 as a percentage of 1941
	1,000 tons	1,000 tons	Percent	1,000 tons	1,000 tons	Percent
Cottonseed	771	939	121.8	552	940	170.3
Soybean	460	599	130.2	453	574	126.7
Linseed	233	219	94.0	230	216	93.9
Peanut	26	26	100.0	24	26	108.3
Total	1,490	1,783	119.7	1,259	1,756	139.5

Maximum Prices Established for Alfalfa Hay in California, Oregon, and Washington

The Office of Price Administration announced a ceiling price, effective February 18, of $20 per ton for ungraded alfalfa hay at the farm level in the three Pacific Coast States -- California, Oregon, and Washington. If the producer has a certificate signed by a Federal or State hay inspector designating specific grades, the maximum price for the grade described in the certificate, basis loose on farms, may be:

	Grade No. 1	Grade No. 2	Grade No. 3
Alfalfa hay	$22.50	$20.00	$17.00
Alfalfa leafy hay	---	21.00	19.00
Alfalfa extra leafy hay	25.50	22.00	20.00

Sellers also may add to these maximums actual transportation charges from the farm to buyers' receiving point. A dealer may add $1.50 per ton over his cost and the retailer may add $5.00 per ton over his cost to compute his ceiling price. Sellers of baled alfalfa hay may add the actual cost of baling to the ceiling; in no event, however, may this added cost exceed $4.00 per ton.

Feed Industry Council and Department of Agriculture Adopt Program to Conserve Protein Feeds

The Feed Industry Council, including representatives of feed manufacturers, distributors, retailers, and farmers' cooperative organizations, meeting recently with Department of Agriculture officials in Washington, adopted a voluntary program to conserve vital proteins used in poultry and livestock feed. Under this program, the feed industry will hold the protein content of mixed feeds to certain maximum amounts. Maximum protein content agreed upon in most instances represents a substantial reduction from the amount previously used. This action is designed to extend available supplies of proteins for feeds to meet the heavy demand foreseen in the drive to reach 1943 dairy, livestock, eggs, and poultry production goals.

While there is a slight increase in estimated total protein supplies per head of livestock for the calendar year 1943 over 1942, supplies of tankage, meat scraps, fish meal, and skim milk will be smaller in relation to the number of livestock consuming these feeds. The conservation program is primarily designed to remedy this situation by providing for a more equitable distribution among producers and a more efficient utilization of available supplies. It is expected to go into operation almost immediately.

At the request of the Secretary of Agriculture, the Feed Council representatives agreed, insofar as practicable, to assign voluntary preference to the use of available feed proteins in starting and breeding feeds for poultry and livestock. The council representatives also agreed that poultry producers should be assured that the types of feed they will need in 1943 will be available.

Text of the voluntary agreement to limit use of animal proteins in various types of feeds follows:

"A. Animal Protein (Meat scrap, fish meal, tankage, liver meal, and dried milk byproducts).

1. The following listed mixed feeds shall not contain more than the total quantity of animal protein indicated:

Kind of mixed feed	Total percentage of animal protein per 100 pounds of mixed feed Percent
Chick starters	2.00
Turkey starters	2.50
Duck starters	2.00
Broiler mashes	2.00
All-mash growing diets (all types 1/)	1.125
Growing mashes (all types 1/) (that are to be fed with grain)	2.25
All-mash laying diets (all types 1/)	1.125
Laying mashes (all types 1/) (that are to be fed with grain 1/)	2.25
All-mash breeding diets (all types 1/)	2.25
Breeding mashes (all types 1/) (that are to be fed with grain)	4.50
Poultry supplements and concentrates	
26 percent protein	3.375
32 percent protein	4.50
36 percent protein	5.00
Sow and pig feeds (that are to be fed straight)	2.00
Sow and pig feeds (that are to be fed with grain)	4.00
Hog fatteners (that are to be fed straight)	1.50
Hog supplements, for growing and fattening (that are to be fed with grain)	3.00
Calf starters (complete)	3.00
Calf starters (that are to be fed with grain)	6.00

1/ All types means for chickens, turkeys, guineas, ducks, geese, etc.

"2. (a) Fish meal should be used only in: Poultry starters, broiler mashes, poultry breeding diets and mashes; sow and pig feeds, calf starters -- except in cases of emergency or in areas in which other animal proteins are not available. (b) Fish meal should not be used in feeds for hogs after the hogs reach a weight of 75 pounds.

"3. Supplements for growing and fattening hogs should not contain more than 35 percent of total protein. The animal protein content of these supplements shall not exceed 3 pounds per 100 pounds of supplement, as shown in the tabulation under section A 1 of this program.

"B. Vegetable Protein

1. Dairy Feeds. Limit total protein content of dairy feeds to 16 percent as fed to the cows, except in cases where only grass hay, cereal hay or fodders, or silages made from the same crops are available, when 18 percent is permissible, with tolerance not to exceed 1 percent. Where legume hay is available, the protein content of the dairy feeds as fed to the cows should be limited to a grain ration containing from 12 to 16 percent protein -- depending upon the quality of the hay.

"C. All Protein Ingredients, whether animal, marine, or vegetable, should be mixed with other feedstuffs to obtain maximum results and more complete utilization of the protein, and should not be fed separately."

OUTLOOK

Large Supplies of Vegetable Byproduct Feeds for 1942-43

The 1942-43 production of vegetable byproduct feeds will be much larger than the average for the past 5 years and production of most of these feeds will be somewhat larger than in 1941-42. The production of oilseed cake and meal is expected to be about 50 percent larger than in 1941-42. Supplies of these feeds available for livestock feeding probably will be about 45 percent larger than in 1941-42. The 1942-43 production of gluten feed, a product of the wet-process corn industry, is expected to be about the same as or a little larger than in 1941-42. Since early in 1942 the wet-processing corn industry has been operating at about capacity, at which level a little over 80,000 tons of gluten feed and meal are produced monthly.

At the present rate of output the production of distillers' dried grains in the 1942-43 marketing year beginning July 1 will approximate 380,000 tons. The monthly rate of production of this feed has been fairly constant since early in 1942. The rate of production may change during 1943, but this will depend on the extent to which distillers shift from corn to wheat as a raw material in alcohol production and on changes in plant capacity for producing these feeds.

Table 5.- Apparent domestic disappearance of specified byproduct feeds for livestock feeding, 1937-43

Crop year 1/	4 oilseed cakes and meals	Gluten feed and meal	Distillers' dried grains	Brewers' dried grains	Copra meal	Wheat mill-feeds	Rice mill-feeds	Dried beet pulp
	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons
Average								
1937-41	3,798	639	190	113	136	4,733	124.3	293
1937-38	3,334	545	156	109	118	4,493	120.7	246
1938-39	3,334	567	149	103	129	4,701	121.2	339
1939-40	3,601	614	160	104	179	4,852	123.9	286
1940-41	4,213	759	191	106	174	4,902	132.0	322
1941-42	4,506	962	295	142	79	4,715	124.5	298
1942-43 2/	6,585	985	380	160	35	5,300	145.0	335

1/ Year beginning October 1 - soybean, linseed, peanut, and copra cake and meal, gluten feed and meal, and dried beet pulp; August 1 - cottonseed cake and meal; and July 1 - brewers' and distillers' dried grains and wheat and rice millfeeds.
2/ Estimated.

The production of wheat millfeeds is expected to be about 12 percent (600,000 tons) larger in 1942-43 than in 1941-42. Part of this increase will come from increased milling of wheat for domestic flour requirements and for export and a part from the milling of wheat into granular flour for alcohol. Production of brewers' dried grains will be somewhat larger this year than last, since breweries have been operating at an increased rate and are expected to continue to do so at least during the next few months. The increased milling of rice also is yielding larger production of rice millfeeds. Dried beet pulp production is estimated to be up about 15 percent.

Strong Demand for Feed in All Areas

The increase in livestock numbers during 1942 was general over the country, livestock prices are favorable in relation to feed prices, and there is a strong demand for feed in nearly all areas. Demand is expected to continue strong during 1943 as the production of hogs and poultry increases to meet 1943 production goals. Supplies of feed grains will be ample for domestic requirements during at least the greater part of 1943, but late this year and in 1944 supplies sufficient for our requirements will depend upon a favorable 1943 growing season and the extent to which wheat supplies may be utilized for feed purposes. With feed prices favorable for livestock production in the Corn Belt, and with livestock numbers increasing in this area, present indications are that less grain will be available for shipping to other areas in 1943-44. It is, therefore, desirable for farmers in other sections, especially in the Northeast and in the South, to grow as much of their feed required for the 1943-44 feeding season as possible.

In recent weeks shipments of feed wheat to the Northeast and to the South have been large. As the sale of this feed wheat is discontinued, large quantities of wheat millfeeds, corn, and other grains will be needed to meet the heavy demand for feed in these areas. In the South considerable quantities of corn and oats have been shipped in from the North. Shipments of these feeds will probably be increased to replace feed wheat and the diminishing supplies of locally grown grain sorghums.

Supplies of oilcake and meal, although considerably larger than last year, continue inadequate to meet the strong demand for these feeds in all areas of the country. The tight supply situation which has developed for these feeds may loosen somewhat during the next few months, as dairy cows and other cattle are turned on pasture. Nevertheless, the strong demand from hog and poultry producers will continue, and there may be little accumulation of stocks at Southern or Corn Belt crushing plants or at terminal markets this summer.

A COMPARISON OF SOYBEAN MEAL PRICES WITH PRICES OF OTHER FEEDS AND OF LIVESTOCK PRODUCTS, 1938-43

Of the many factors which influence the year-to-year changes in prices of soybean meal, the following appear to be most important:

(1) Supplies of soybean meal, other high-protein feeds, and total feeds

(2) Production of livestock and livestock products

(3) Prices of livestock and livestock products

These factors have been generally associated with changes in soybean meal prices during the past 12 years and have influenced the relationship between the price of soybean meal and other feeds.

The production of soybean meal has expanded sharply since 1930. During 1941-42 it was more than ten times as large as in 1931-32 and nearly three times as large as in 1937-38. This change in production caused the price of soybean meal to decline in relation to other feeds from 1930 to 1938, but during the past 5 years there has not been much change in the relationship of soybean meal prices to the general level of prices of other feeds.

Table 6.- Price of soybean meal as related to prices of other feeds and specified livestock products, 1938-43

Year and month	Soybean meal (40 percent protein) per ton Chicago	No. 3 Yellow corn per bushel Chicago	Wheat bran per ton Chicago	Distillers' dried grains per ton Cincinnati	Tankage (60 percent digester) per ton Chicago	Hogs all classes per cwt. Chicago	Beef cattle all grades (per cwt.) Chicago	Butterfat United States average per lb.	Eggs United States average per doz.
	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
Average									
1938-42	31.54	.643	24.74	29.66	56.00	8.70	10.94	.308	.230
1941	33.30	.704	25.90	29.50	59.50	9.45	11.33	.345	.250
1942	41.95	.833	35.73	36.60	73.55	13.70	13.79	.404	.314
1942									
October	42.70	.773	32.00	38.25	71.00	14.98	15.21	.465	.374
November	1/ 38.85	.805	33.90	39.10	71.05	13.96	13.30	.478	.389
December	1/ 39.10	.894	37.45	42.50	71.05	14.01	14.85	.489	.397
1943									
January	1/ 39.35	.965	38.10	---	71.05	14.78	14.84	.496	.390
	Ratio - Prices of specified commodities to price of soybean meal 2/								
Average									
1938-42		.73	.78	.94	1.78	5.52	6.94	19.5	14.5
1941		.75	.78	.89	1.79	5.68	6.80	20.7	15.0
1942		.71	.85	.87	1.75	6.53	6.57	19.3	15.0
1942									
October		.65	.75	.90	1.66	7.02	7.12	21.8	17.5
November		.74	.87	1.01	1.83	7.19	6.85	24.6	20.0
December		.82	.96	1.09	1.82	7.17	7.60	25.0	20.3
1943									
January		.88	.97	---	1.81	7.51	7.54	25.2	19.8

1/ Crushers' price converted to Chicago basis.
2/ Pounds of soybean meal equivalent in value to 1 pound of each feed and livestock product and to 1 dozen eggs.

During the calendar year 1942 the average price of soybean meal was not greatly different in relation to the general level of feed prices from the average for 1938-42, although some feeds were relatively higher and others relatively lower. As compared with livestock prices during 1942, soybean meal was relatively lower than hogs and eggs as compared with the 5-year average, and higher than beef cattle and butterfat.

Since November 1942 soybean meal has become increasingly cheap in relation to other feeds and livestock products, as prices of other feeds, especially corn, and most livestock products have increased relatively more than the price of soybean meal. The price of soybean meal shown in tables 6 and 7, for the months November 1942 to January 1943, is the crusher price, with the cost of transportation and bags added to give a comparable price at Chicago. This price is used, since most soybean meal sales in this period were on this basis, with very little available for sale through regular wholesale channels.

In January 1943, the price of soybean meal was much lower in relation to corn, other feed grains, and most of the byproduct feeds than during the 1938-42 average. While in areas of the South the price of oilmeal in mid-January was lower per 100 pounds than corn in the Corn Belt, the price of soybean meal was higher on a pound-for-pound basis, than corn, and would not permit extensive substitution of soybean meal for corn after protein requirements were met. Feed prices in general were lower than livestock prices in January, and have been low relative to livestock prices for several months.

Because of the increased number of livestock on farms, the large cash income from livestock production, and the comparatively low price of soybean meal and other high-protein feeds, farmers are in the market to buy much larger quantities of oilmeal than they have ever bought in the past. This has caused the heaviest demand for high-protein feed in history. Livestock and poultry producers would like to buy much more soybean meal, at the ceiling price, than has been produced since the beginning of the current season, although production has exceeded that of a year earlier by more than 30 percent.

Table 7.- Prices of corn, soybean meal, and hogs, Chicago, 1938-43

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Average
	Corn, No. 3 Yellow												
	Cents per bu.	Cents per bu.	Cents per bu.	Cents per bu.	Cents per bu.	Cents per bu.	Cents per bu.	Cents per bu.	Cents per bu.	Cents per bu.	Cents per bu.	Cents per bu.	Cents per bu.
1938	59.3	56.9	57.9	58.6	57.7	57.0	58.7	53.6	52.7	44.7	46.0	51.0	54.5
1939	51.5	48.1	47.5	48.7	51.2	51.2	48.0	45.0	54.0	48.3	49.7	56.3	50.0
1940	58.5	57.6	57.9	62.5	68.6	65.8	1/65.3	66.0	64.5	64.3	64.5	61.5	63.1
1941	63.6	62.3	65.6	69.1	71.7	73.7	73.7	74.5	75.1	69.5	70.7	75.9	70.4
1942	81.8	81.9	81.7	82.3	85.3	84.5	86.0	84.4	84.1	77.3	80.5	89.4	83.3
1943	96.5												
	Soybean meal, 41 percent protein												
	Dol. per ton	Dol. per ton	Dol. per ton	Dol. per ton	Dol. per ton	Dol. per ton	Dol. per ton	Dol. per ton	Dol. per ton	Dol. per ton	Dol. per ton	Dol. per ton	Dol. per ton
1938	30.00	29.60	28.10	26.00	26.30	25.30	26.95	26.15	27.00	24.60	24.40	26.20	26.70
1939	26.30	24.70	24.45	24.70	26.30	25.95	24.70	25.70	33.70	28.30	32.70	34.95	27.70
1940	33.90	29.95	30.45	29.65	28.65	24.40	22.25	24.60	27.00	25.90	30.50	29.60	28.05
1941	29.75	26.60	26.85	27.50	28.10	29.70	33.80	36.20	41.40	37.95	39.10	42.50	33.30
1942	46.45	46.45	44.85	41.00	38.30	37.95	41.80	42.60	43.50	42.70	2/38.85	2/39.10	41.90
1943	2/39.35												
	Hogs, packer and shipper purchases												
	Dol. per 100 lb.	Dol. per 100 lb.	Dol. per 100 lb.	Dol. per 100 lb.	Dol. per 100 lb.	Dol. per 100 lb.	Dol. per 100 lb.	Dol. per 100 lb.	Dol. per 100 lb.	Dol. per 100 lb.	Dol. per 100 lb.	Dol. per 100 lb.	Dol. per 100 lb.
1938	7.91	8.33	9.12	8.28	8.20	8.52	8.60	7.76	8.35	7.84	7.67	7.24	8.09
1939	7.30	7.77	7.43	6.92	6.67	6.34	5.92	5.52	7.44	6.85	5.97	5.38	6.57
1940	5.32	5.12	5.07	5.43	5.59	4.98	5.92	6.21	6.45	6.25	6.11	6.27	5.71
1941	7.70	7.71	7.64	8.37	8.96	9.79	10.75	10.68	11.04	10.41	10.16	10.65	9.45
1942	11.36	12.58	13.37	14.13	14.07	14.19	14.25	14.37	14.45	14.98	13.96	14.01	13.70
1943	14.78												

1/ No. 2 Yellow.

2/ Processors' price converted to Chicago basis.

Table 8.- Supply and disappearance of feed grains and hay in relation to livestock numbers, 1937-42

Year	Six grains 1/					All hay				
	Supply	Disappearance as livestock feed	Grain-consuming animal units 2/	Supply per animal unit	Disappearance per animal unit	Supply	Disappearance	Hay consuming animal units 3/	Supply per animal unit	Disappearance per animal unit
	Mil. tons	Mil. tons	Mil.	Tons	Tons	Mil. tons	Mil. tons	Mil.	Tons	Tons
Average 1937-41	120.3	88.3	132.6	.91	.67	101.5	88.6	78.9	1.28	1.12
1937-38	107.8	80.1	121.0	.89	.66	88.7	76.0	76.4	1.16	.99
1938-39	115.4	83.8	127.0	.91	.66	104.2	87.8	76.6	1.36	1.15
1939-40	120.0	85.9	138.5	.87	.62	101.5	90.5	78.1	1.30	1.16
1940-41	125.2	91.1	133.4	.94	.68	105.7	92.7	80.6	1.31	1.15
1941-42	132.9	100.8	143.1	.93	.70	107.2	95.9	83.5	1.28	1.16
1942-43	150.4		158.9	.95		116.6		85.4	1.37	

1/ Total corn, oats, barley, grain sorghums as grain, plus wheat and rye fed.
2/ Weighted as follows: Hogs, 0.87; dairy cows, 1.00; other cattle, 0.51; horses and mules, 1.14; sheep, 0.04; chickens, 0.045.
3/ Weighted as follows: Horses and mules, 1.00; dairy cows, 1.00; other cattle, 0.75; sheep, 0.12.

Table 9.- Production and stocks of specified byproduct feeds, January 1941 and 1942, and November 1942-January 1943

Item	Jan.		1942-43		
	1941	1942	Nov.	Dec.	Jan.
	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons
Production					
Cottonseed cake and meal	248.4	207.3	317.3	291.9	235.0
Soybean cake and meal	---	---	194.4	240.5	---
Linseed cake and meal	---	---	71.0	68.0	---
Peanut cake and meal	17.2	4.4	9.1	10.9	9.9
Gluten feed and meal	61.2	82.1	84.6	82.7	1/ 80.4
Brewers' dried grains	7.8	10.6	11.7	12.7	11.3
Distillers' dried grains	19.4	30.0	30.6	31.6	31.1
Wheat millfeeds	366.2	400.9	394.3	417.6	2/469.6
Stocks, end of month					
Cottonseed cake and meal	215.8	369.7	117.8	92.7	75.9
Peanut cake and meal	16.4	7.7	2.8	3.0	2.2

1/ Domestic grind.
2/ Preliminary.

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